

THE POSSIBILITY OF SAGO STARCH MARKETING IN JAPAN FROM SAGO PRODUCING AREAS IN THE EASTERN PART OF INDONESIA

Diyah Yumeina R. Datu ¹⁾ , Osozawa Katsuya ²⁾

¹⁾ Faculty of Agriculture, Hasanuddin University. Jl. Perintis Kemerdekaan Km.10, Makassar, INDONESIA, iyuyrd@yahoo.com, +62-411-587-085

²⁾ Faculty of Agriculture, Ehime University, 3-5-7 Tarumi, Matsuyama, Ehime, 790-8566, JAPAN, ososago5503@agr.ehime-u.ac.jp, +81-89-927-8311

ABSTRACT

Sago palm (Metroxylon sp.) is distributed and grows naturally in almost every island throughout Indonesia, especially in swampy coastal areas along rivers. After the World War II, the sago cultivation in the regions that surround Malaysia and the Western Indonesia, have been consolidated by the investors while farmers in the eastern Indonesia continue their conventional practice. Recently, these farmers in the eastern part have been shifting from sago production to others crops such as corn and cacao production. Consequently, areas of sago production have been rapidly reducing in the region. Even though the international demand for starch is expanding, the sago farmers in the eastern Indonesia are unable to utilize the opportunity. This paper presents a sago development strategy based on the belief that sago has the potential to become an important economic crop for mankind. This research aims to present the opportunities and constraints of sago development strategy in the eastern part of Indonesia, especially in South Sulawesi Province by establishing direct networks between consumer and producers. This study was conducted in the three sago production areas in South Sulawesi, Indonesia. Beside sago production areas, marketing research was conducted in Japan. The several specific starch demands exist in Japan and sago from Indonesia would have opportunity. However, evaluation of quality and price on each specific demand in detail is suggested because the taste tendency of Japanese consumers is diversified to demand foods that are only cheap, but safe, healthy, natural and/or low impact to environment. Basing on order from one of non-allergic food distributors in Japan, an NGO in Indonesia will challenge to become a promoter that establish direct network between sago consumer and sago producer.

Keywords : Sago palm, Sago Producing Areas, The Eastern Part of Indonesia, Sago Market in Japan.

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Introduction

Sago is a raw material for food industries. In many countries, such as Malaysia and Japan, sago is used as an ingredient of some food industries and fermentation industry such as monosodium glutamate, sweetener (high fructose syrup, glucose, maltose, and dextrose), alcohol productions, noodle, sago pearls and also in feed, paper textile and plastic industries. Especially in Japan, sago is used in *uchiko* (the flour used in udon making) and non-allergy food stuffs.

By contrast, in eastern part of Indonesia, especially in South Sulawesi, the use of sago is limited to local food consumption. It is cooked for traditional food and snacks such as *kapurung*, *bagea ambon*, *cendol* and sago cookies. Recently, sago farmers in the eastern part have been shifting from sago production to others crops such as corn and cacao production. Consequently, areas of sago production have been rapidly reducing in the region. Even though the international demand for starch is expanding, the sago farmers in the eastern Indonesia are unable to utilize the opportunity.

Previously, sago starch was known as a low nutritional food, because it only contains 0.7 g of protein. However, nowadays sago starch is promoted as a valuable material, for instance, material for GFCF (Gluten Free Casein Free) diet, which is one of the most successful interventions for the treatment of Autistic Spectrum Disorders (Parent surveys done by The Autism Research Institute).

Methods

This paper presents a sago development strategy based on the belief that sago has the potential to become an important economic crop. This research aims to present the opportunities and constraints of sago development strategy in the eastern part of Indonesia, especially in South Sulawesi Province by establishing direct networks between consumer and producers.

This study was conducted in the three sago production areas in South Sulawesi, Indonesia. Wara Selatan district in Palopo regency, Sabang district and Malangke Barat district in Luwu Utara regency. Although Maluku and Papua are considered to be sago producers, South Sulawesi represents a gateway in trading and industry in Eastern Part of Indonesia. Furthermore, South Sulawesi has potential as a pioneer for sago development since they have the biggest port in the eastern Indonesia.

Beside sago production areas, marketing research was conducted in Japan. There are some starch companies which process crude sago to become sago starch; among these is Matsutani Chemical

Industry co. Ltd., and Tsuji Anzen Shokuhin, that produces non-allergy food, using sago starch as one of their product ingredient. It was observed the sago starch market in Japan using these companies.

The data analyzed are both primary and secondary data. Primary data was obtained interviewing sago farmers, sago local merchant, and other interrelated institution, such as district agriculture government officials. Moreover, in Japan, sago distributor, *udon* factory, and supermarket were observed. Meanwhile, secondary data in the form of area, sago production, and price of sago was obtained from Ministry of Agriculture, Forestry and Fisheries, Japan; Ministry of Finance, Japan; Department of Agriculture of Sarawak; Department of Agriculture of South Sulawesi and Department of Statistic of South Sulawesi Province.

Result and discussion

The study was conducted to develop the sago production in the eastern part of Indonesia and the possibility of sago marketing in Japan. It is also examines about sago development from Sarawak, Malaysia, the biggest sago exporter area in the world. In fact, sago development in in the eastern part of Indonesia and differ from sago development in Sarawak. Sago from the eastern part of Indonesia (South Sulawesi) only focused in crude sago production level since it is only intended to the local consumption needs, whereas sago in Sarawak is intended for industrial needs.

Through the several utilization of starch, the opportunity of sago starch from the eastern part of Indonesia to fulfill Japanese market demand is very potential. Sago needs in Japan is very stable with its high demand, and sago producers are limited only in few certain areas. These are great chance that we should utilize the opportunity.

The conventional sago practice, lack of government support, poor management and lack of comprehensive strategy in the eastern part of Indonesia to promote sago is an obvious disadvantage in comparison with sago starch from Malaysia.

The several specific starch demands exist in Japan and sago from the Eastern part of Indonesia would be received through evaluate the appropriate quality and price on each specific demand in detail because the taste tendency of consumer in Japan is diversified to demand food that are not only cheap, but safe, healthy, natural and/or low impact to environment

Conclusion

Current sago trade model between Malaysia and Japan resulted in increasing sago price. Direct trade from sago farmer in Pengkajoang village in the eastern part of Indonesia to non-allergy food company, Tsuji Anzen Shokuhin in Japan by involve Perahu NGO in Indonesia who might play role of sago promoter in the model.

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